

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 11

The Brooklyn Standard IX LLC,

Case No.

Debtors.
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**DECLARATION PURSUANT TO
THE LOCAL BANKRUPTCY RULES**

Robert Cadoch declares the following under penalties of perjury pursuant to 28 U.S.C. § 1746:

1. I am the manager and sole member of The Brooklyn Standard IX LLC (the “Debtor”) and such, I am fully familiar with the facts and circumstances set forth herein. I respectfully submit this Declaration in accordance with the Local Bankruptcy Rule 1007-4 in support of the Debtor’s filing of a voluntary petition under Chapter 11 of the Bankruptcy Code.

2. The Debtor owns certain real property at 26 St. Felix Street, Brooklyn, New York, (the “Property”). I have resided at the Property since 2017 and find myself locked in a bitter dispute with my uncle, Eitan Zviey, who holds various mortgages against the Property, the extent and scope of which are fiercely disputed.

EVENT LEADING TO CHAPTER 11 FILING

3. I am a real estate investor and have purchased various properties either in partnership or with financing provided by my uncle, including the Debtor’s Property which is now the subject of a foreclosure action in the Supreme Court, Kings County (Index No. 528469/2022). My Uncle has moved for a judgment of foreclosure which I am contesting in the State Court.

4. Currently, my uncle and I are partners in the ownership of other properties located at 3402 Avenue K in Brooklyn and 1910 Wallace Avenue in the Bronx (collectively the “Other Properties”). Besides owning a 50% equity interest in the Other Properties, my uncle also advanced certain mortgage loans relating to these properties for renovations.

5. Regrettably, my uncle is leveraging his position with respect to the Debtor’s Property as a means to pressure me into paying-off the mortgage debts on the Other Properties. However, the mortgages are not subject to cross-default provisions and there is no legal basis to force pay-offs on the Other Properties by withholding a loan pay-off with respect to the St. Felix Property.¹

6. As opposed to our investment property, my purchase of the Property was done for me to reside and live there with my wife. As my uncle well knows, the Debtor’s Property was bought in a corporate name to give me flexibility in possibly making my uncle an equity holder to secure his loans in lieu of filing mortgages.

7. Ultimately, my uncle initially made two mortgage loans to the Debtor in the respective sums of \$850,000 and \$150,000 for a total of \$1 million. The debt is secured by real property mortgages against the Property.

8. In December 2019, my uncle and I required additional funding for the Other Properties which were then under construction. We decided that my uncle would make a loan of \$600,000 for construction based upon a third mortgage against the St. Felix Property that was never intended to be filed unless I died or became fully incapacitated. This mutual intention is clearly reflected in various emails exchanged with our joint attorney at the time.

¹ Historically, my uncle and I were also partners in ownership of a property at 166 Glen Street which was sold in 2019. I also paid back a loan to my uncle in connection with another property at 174 MacDonough Street.

9. The third mortgage remained unrecorded for almost three (3) years' time, consistent with our agreement. Regrettably, my uncle recorded the third mortgage about a month before commencement of the foreclosure action against the Property in violation of our agreement.

10. Despite Covid-19 related hardships, I wanted to satisfy my uncle's legitimate first and second mortgages dating back to 2021 and obtained a mortgage refinancing from FM Home in June 2021.

11. To close on the refinancing, I needed payment verification from my uncle and a formal pay-off letter covering the first and second mortgages, as there was no recorded third mortgage at the time. My uncle delayed and refused to cooperate in my intended refinancing, sending me texts and incomplete emails instead of a proper pay-off letter. This was inadequate for purposes of the refinancing and prevented me from paying off the first and second mortgage in 2021. As a result, unnecessary default interest has accrued. In view of my uncle's dilatory tactics, I intend to challenge both my uncle's entitlement to default interest on the first and second mortgages and his entitlement to anything on the third mortgage.

12. Indeed, the third mortgage which was used for the Other Properties was not supported by consideration to the Debtor. Moreover, the third mortgage was not fully funded, and my uncle actually advanced no more than \$397,500.

13. Despite the current vitriol, the goal remains the same to pursue a refinancing at levels which are fair to both sides. It is extremely disappointing that this family dispute has now necessitated a Chapter 11 filing.

Local Rule 1007-4 Disclosures

14. The Debtor owns the Property which serves as my residence.

15. Pursuant to Local Rule 1007-4 (a)(v), no committee of creditors was formed prior to the filing of the Petition.

16. Pursuant to Local Rule 1007-4(a)(vi), a list of the Debtor's twenty largest creditors is included as part of the Petition.

17. Pursuant to Local Rule 1007-4(a)(vii), the Property is subject to disputed mortgages held by my uncle as referenced above.

18. Pursuant to Local Rule 1007-4(a)(viii), the Debtor's assets and liabilities will be set forth in the accompanying bankruptcy schedules to be filed within fifteen (15) days.

19. Pursuant to Local Rule 1007-4(a)(ix), the 100% membership interest of the Debtor is held by me.

20. Pursuant to Local Rule 1007-4(a)(x), a Receiver was appointed in connection with the state court foreclosure action.

21. Pursuant to Local Rule 1007-4(a)(xi), the Property is located in Brooklyn, New York.

22. Pursuant to Local Rule 1007-4(a)(xii), the Debtor's books and records are located in my home in Brooklyn, New York.

23. Pursuant to Local Rule 1007-4(a)(xiii), the Debtor is subject to the pending foreclosure action instituted by the Lender in the Supreme Court, Kings County.

24. Pursuant to Local Rule 1007-4(a)(xiv), I do not receive a salary or management fees from the Debtor.

Dated: Brooklyn, New York
July 12, 2023

By:


Robert Cadoch – Manager

COMPANY RESOLUTION IN SUPPORT OF THE CHAPTER 11 FILINGS

WHEREAS, The Brooklyn Standard IX LLC (the "Company") owns certain real property in Brooklyn, New York which is subject to a foreclosure action; and

WHEREAS, the Company is governed by a certain Operating Agreement designating Robert Cadoch as sole member and manager; and

WHEREAS, in accordance with the Operating Agreement, a special meeting having been called and convened on July 12, 2023, and upon motion duly made and carried, the following resolutions were adopted:

RESOLVED, the Company is authorized to file a voluntary petition for relief under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Eastern District of New York; and it is further

RESOLVED, that the Company is authorized to retain the law firm of Goldberg Weprin Finkel Goldstein LLP as counsel in the Chapter 11 case under a general retainer.

Dated: Brooklyn, New York
July 12, 2023

The Brooklyn Standard IX LLC

By:


Robert Cadoch - Manager

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

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Case No.

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LIST OF EQUITY HOLDERS

Robert Cadoch

100%

Dated: New York, New York
July 12, 2023

The Brooklyn Standard IX LLC

By:



Robert Cadoch - Manager

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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LIST OF LAWSUITS

Eitan Zviev v. The Brooklyn Standard IX LLC., et al.
Supreme Court, Kings County
Index No. 528469/2022
Relief Sought: Foreclosure

Attorney/Firm(s) For Plaintiff –
Kriss & Feuerstein LLP
360 Lexington Avenue, Ste 1200
New York, NY 10017

Dated: New York, New York
July 12, 2023

The Brooklyn Standard IX LLC

By:



Robert Cadoch – Manager

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**BANKRUPTCY RULE 7007.1 AND E.D.N.Y. LBR 1073-3
CORPORATE OWNERSHIP STATEMENT**

Pursuant to Bankruptcy Rule 7007.1 and E.D.N.Y. LBR 1073-3, The Brooklyn Standard IX LLC certifies that it is a private non-governmental party, and has no corporate parent, affiliates and/or subsidiaries which are publicly held.

Dated: New York, New York
July 12, 2023

The Brooklyn Standard IX LLC

By:



Robert Cadoch - Manager